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Pharmaceutical Management Agency
Te Pātaka Whaioranga
Public Records Act 2005 Audit Report

Prepared for Archives New Zealand

April 2022

MAKING AN IMPACT THAT MATTERS since 1845

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The procedures that we performed did not constitute an assurance engagement in accordance with New Zealand Standards for Assurance engagements, nor did it represent any form of audit under New Zealand Standards on Auditing, and consequently, no assurance conclusion or audit opinion is provided. The work was performed subject to the following limitations:

- This assessment is based on observations and supporting evidence obtained during the review. This report has considered the views of Pharmac and Archives NZ who reviewed this report.

- Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. The procedures were not designed to detect all weaknesses in control procedures as the assessment was performed by interviewing relevant officials and obtaining supporting evidence in line with the guidelines of the Archives NZ's IM Maturity Assessment.

- The matters raised in this report are only those which came to our attention during performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our deliverable to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.

We have prepared this report solely for the use of Pharmac and Archives NZ. The report contains constructive suggestions to improve some practices which we identified during the review using the instructions and procedures defined by Archives NZ. These procedures are designed to identify control weaknesses but cannot be relied upon to identify all weaknesses.

2. Executive Summary

The Pharmaceutical Management Agency (Pharmac)

Pharmac is a Crown Entity established in 1993, accountable to the Minister of Health via the Pharmac Board. Pharmac's main objectives are to:

- Manage the New Zealand Pharmaceutical Schedule
- Promote best possible use of medicines within New Zealand
- Manage the subsidy of medicines and some medical devices used in public hospitals
- Manage the Named Patient Pharmaceutical Assessment (NPPA) Policy – a mechanism that allows people to receive funded medication not available through the Pharmaceutical Schedule and access to special medical programmes.

Pharmac has approximately 146 employees and is located in Wellington.

The high-value / high-risk information Pharmac holds under the PRA includes ministerial reports, litigation records, decisions, records regarding NPPA, board papers, and documents relating to pharmaceutical pilot studies and clinical trials.

Summary of Findings

We assessed Pharmac's information management maturity against the five maturity levels of Archives NZ's Information Management (IM) Maturity Assessment model. The results are summarised below:

Maturity Level	Beginning	Progressing	Managing	Maturing	Optimising
No. of Findings	3	7	8	2	

3. Introduction

Background

Archives NZ provides IM leadership across the public sector. This is achieved through monitoring government organisations' IM practices to assure the New Zealand public that:

- full and accurate records are created and maintained, improving business efficiency, accountability, and government decision-making, and in turn, enhancing public trust and confidence in government.
- government is open, transparent, and accountable by making public sector IM practices known to the public.

Section 33 of the PRA requires that every public office has an independent audit of its record keeping practices every 5 – 10 years. The audit programme is part of Archives NZ's monitoring of and reporting on the state of public sector IM. It is one of the key components of their monitoring framework, which also includes an annual survey of public sector IM and the IM Maturity Assessment.

The Chief Archivist commissioned Deloitte to undertake these audits for certain public offices.

Objective

To identify areas of IM strengths and weaknesses within the public office, prioritising areas that need attention and what needs to be done to strengthen them. They are an important mechanism for organisations to improve their IM maturity and to work more efficiently and effectively.

Scope

Deloitte has undertaken an independent point-in-time assessment of Pharmac's IM practices, against Archives NZ's IM Maturity Assessment Model (PRA requirements). The IM Maturity Assessment aligns with the PRA and Archives NZ's mandatory Information and Records Management standard. Topics 17 and 19 of the Archives NZ IM Maturity Assessment are only applicable to local authorities and have therefore been excluded for the purposes of this audit.

The IM Maturity Assessment model classifies the maturity of IM practices from "Beginning" (least mature) to "Optimising" (highest maturity level). Pharmac's maturity level for each topic area assessed is highlighted under each of the respective areas. Ratings were based on Pharmac's officials' responses to questions during the interviews and the supporting documents provided in line with the IM Maturity Assessment guidelines.

Archives NZ provided Deloitte with the framework including the specified audit plan, areas of focus for the PRA audits, and administrative support. Deloitte completed the onsite audit and audit report, which Archives NZ reviewed before release to Pharmac. Archives NZ is responsible for following up on the report's recommendations with Pharmac.

Our audit was based on a sample of IM systems, the review of selected documentation on a sample basis, and interviews conducted with a selection of staff and focus groups. As such, this audit does not relate to an Audit as defined under professional assurance standards.

Pharmac's feedback to this report is set out in Section 6.

4. Information Management Maturity Summary

This section lists the Information Management maturity level for each of the assessed topic areas. For further context refer to the relevant topic area in Section 5.

Category	No.	Topic	Assessed Maturity Level				
			Beginning	Progressing	Managing	Maturing	Optimising
Governance	1	IM Strategy				●	
	2	IM Policy			●		
	3	Governance arrangements & Executive Sponsor				●	
	4	IM Integration into business processes		●			
	5	Outsourced functions and collaborative arrangements		●			
	6	Te Tiriti o Waitangi		●			
Self-monitoring	7	Self-monitoring		●			
Capability	8	Capacity and Capability			●		
	9	IM Roles and Responsibilities		●			
Creation	10	Creation and capture of information		●			
	11	High-value / high-risk information	●				
Management	12	IM requirements built into technology systems			●		
	13	Integrity of information			●		
	14	Information maintenance and accessibility			●		
	15	Business continuity and recovery			●		
Storage	16	Appropriate storage arrangements			●		
Access	18	Information access, use and sharing		●			
Disposal	20	Current organisation-specific disposal authorities			●		
	21	Implementation of disposal decisions	●				
	22	Transfer to Archives NZ	●				

Note: Topics 17 and 19 of the Archives NZ IM Maturity Assessment are only applicable to local authorities and have therefore been excluded.

5. Audit Findings by Category and Topic

Governance

The management of information is a discipline that needs to be owned top down within a public office. The topics covered in the Governance category are those that need senior level vision and support to ensure that government information is managed to ensure effective business outcomes for the public office, government, and New Zealanders.

Topic 1: IM Strategy

High-level statement outlining an organisation's systematic approach to managing information across all operational environments of an organisation.

Maturing

Observations

Pharmac has a current IM Strategy (Data and Information Strategy), which senior management approved in June 2019. The IM Strategy:

- Aligns to Pharmac's wider strategic objectives and the Ministerial expectations.
- Identifies Pharmac's key IM guiding principles, which have been established to improve and optimise IM within the organisation.
- Includes a gap analysis with recommendations to address them.

A transformation pathway sets out a roadmap of how Pharmac will implement these strategic recommendations. However, the IM Strategy has not been communicated across the organisation.

Weekly IM team meetings report any developing IM issues to the Executive Sponsor (ES) and monthly Board reporting outlines progress towards the strategic recommendations.

Recommendation

1. Communicate the IM Strategy and relevant internal policies to all staff and contractors.

Topic 2: IM Policy and Processes

An information management policy supports the organisation's information management strategy and provides a foundation for information management processes.

Managing

Observations

Pharmac has a current IM Policy (Records and Information Management Policy), last updated in September 2019, and is scheduled to be updated this year. The IM Policy includes roles and responsibilities and aligns to the IM Strategy and links to other policies such as, the Data Governance Framework and Data Governance Policy. The IM Policy is available on PharmHub, Pharmac's intranet and communicated to all staff and contractors in their mandatory induction training.

Objective is Pharmac's electronic document and records management systems (EDRMS) and is the master information repository. Pharmac has some IM process guidelines available in Objective, for example, how to perform tasks relevant to specific roles. However, some staff reported the information is not always up to date.

Compliance with the IM Policy is not actively monitored, however, reported breaches are captured in the security incident register and addressed as required.

Recommendation

1. Ensure that staff have access to up to date and approved IM process documentation.

Topic 3: Governance arrangements and Executive Sponsor

The Executive Sponsor has strategic and executive responsibility for overseeing the management of information in a public sector organisation.

Maturing

Observations

Pharmac's Security Committee oversees IM governance including IM, privacy, technology, building and culture risks and incidents. The Security Committee meets monthly and is formalised with a Terms of Reference, recorded meeting minutes and regular reporting. The committee comprises of the Chief Privacy Officer, Chief Security Officer, Business Services Manager (ES), ICT Services Manager, HR Manager, and the Office Manager.

The ES understands and consistently performs an oversight and monitoring role of IM. They support IM at Pharmac through promoting the value of IM at a senior management level. Staff also reported that the ES champions IM within the organisation by actively promoting IM values and importance.

The ES does not currently work with other executive sponsors outside of Pharmac, which may provide useful guidance and support to continue IM improvements within Pharmac.

Recommendation

1. ES to engage with other executive sponsors outside of Pharmac for guidance and support to continue IM strategic improvements.

Topic 4: IM Integration into Business Processes

All staff should be responsible for the information they create, use, and maintain. Business owners should be responsible for ensuring that the information created by their teams is integrated into business processes and activities. The IM team support business owners and staff.

Progressing

Observations

IM staff are involved in managing security and access to Objective, reporting and records management initiatives. IM staff provide support to business owners, which appears to be reactive rather than proactive. However, support staff in each directorate provide general advice and support to business owners and business units on managing information.

Based on feedback from interviews, business owners do not appear to consistently understand their IM responsibilities, which are captured broadly within the IM Policy. Staff interviewed noted that IM compliance varied between business units with some having greater focus on their team using Objective than others.

Recommendation

1. Formally document IM responsibilities within business unit processes to ensure all staff understand their responsibilities.

Topic 5: Outsourced Functions and Collaborative Arrangements

Outsourcing a business function or activity or establishing collaborative initiatives does not lessen an organisation's responsibility to ensure that all requirements for the management of information are met.

Progressing

Observations

Pharmac has several outsourced providers and uses the All of Government consulting contracts and master service agreements (MSA) to ensure that requirements for managing information are covered. Pharmac's MSA template contains clauses around information ownership, legal obligations and specific details on IM, retention, portability, and security.

There is no regular monitoring over current contracts to ensure compliance under the PRA.

Recommendation

1. Develop a regular monitoring process for managing information under contractual agreements and address any identified issues.

Topic 6: Te Tiriti o Waitangi

The Public Records Act 2005 and the information and records management standard supports the rights of Māori under Te Tiriti o Waitangi/Treaty of Waitangi to access, use and reuse information that is important to Māori.

Progressing

Observations

IM implications within the Treaty of Waitangi settlement agreements and other agreements with Māori are not formally known. Information of importance to Māori has not been identified. However, we note that Pharmac has informally identified personal information relating to Māori such as, the photos used in Pharmac's health campaigns and are managing these with sensitivity.

Pharmac recently refreshed their Māori Responsiveness Strategy (Te Whaioranga) which provides a framework for ensuring they meet Te Tiriti o Waitangi responsibilities and achieve the best health outcomes for Māori. Te Whaioranga appears to be embedded within the organisation as it links to some of the frameworks (such as the Factors for Consideration Framework) that Pharmac has developed to support Māori and Pasifika health. Some information identified using these frameworks are stored in a specific file series relating to Māori health.

Pharmac is also currently working with Te Kahoa Health Limited to develop a framework to implement change to IM practices to improve access, discoverability, and care for information of importance to Māori.

Recommendation

1. Design processes to locate and formally identify information of importance to Māori, which may be included as a category within the Information Asset Register (refer to Topic 11).

Self-Monitoring

Public offices are responsible for measuring and monitoring their information management performance for planning and improvement purposes. This helps to ensure that IM systems and processes are working effectively and efficiently. It also ensures that public offices are meeting the mandatory information and records management standard, as well as their internal policies and processes.

Topic 7: Self-Monitoring

Organisations should monitor all aspects of their information management.

Progessing

Observations

Pharmac monitors compliance with the PRA requirements, standards, and other relevant legislation through a bi-annual ComplyWith survey. There is no regular monitoring of compliance with internal IM policy and processes such as, file structure and taxonomy. However, the IM team completes informal checks of staff EDRMS usage, mailbox sizes and user behaviour. Anything of concern is reported to the ES and addressed accordingly. Major incident and breaches of the IM policy are recorded in the incident register and reported to the Security Committee.

All staff are provided with proactive IM information through Tech Tips on Pharmac's intranet page and in their Objective personal folders.

Recommendation

1. Develop a regular monitoring process that covers compliance with the IM Policy and report results to the ES and Security Committee.

Capability

Information underpins everything public offices do and impacts all functions and all staff within the public office. Effective management of information requires a breadth of experience and expertise for IM practitioners. Information is a core asset, and all staff need to understand how managing information as an asset will make a difference to business outcomes.

Topic 8: Capacity and Capability

Organisations should have IM staff or access to appropriate expertise to support their IM programme.

Managing

Observations

The IM team consists of the IM Manager, IM Advisor, and a System Trainer. The IM team have sufficient skills and capability to provide IM support to the organisation. They are well respected within Pharmac and are the first point of contact for any queries, issues, or questions relating to IM.

The IM team have regular access to IM related professional development opportunities through a dedicated budget. For example, the IM advisor has recently had training on an IM system and the ES is currently completing their Masters in IM, which Pharmac has fully funded.

Pharmac's IM capability and capacity are not regularly assessed or monitored against business needs.

Recommendation

1. Regularly assess IM capability and capacity and monitor these against business needs.

Topic 9: IM Roles and Responsibilities

Staff and contractors should be aware of their responsibility to manage information.

Progessing

Observations

Staff and contractors have an appropriate level of awareness of their information management responsibilities. These responsibilities are communicated through the IM Policy, Pharmac's Code of Conduct, some job descriptions and through mandatory induction and training.

Pharmac offers mandatory IM training as part of their induction and onboarding of new staff. However, based on staff interviews there appears to be a lack of regular ongoing IM training offered. Staff interviewed requested training such as, general refresh of IM 101, naming conventions, file structures, and how to efficiently search for information would be beneficial.

Recommendation

1. Assess the need for ongoing IM training and develop and deliver a programme to meet the identified needs.

Creation

It is important to take a systematic approach to the management of government information, and this starts with an understanding of what information must be created and captured. It is expected that public offices create and capture complete and accurate documentation of the policies, actions, and transactions of government. Knowing what information assets are held by public offices is essential to IM practice.

Topic 10: Creation and Capture of Information

Every public office and local authority must create and maintain full and accurate information documenting its activities.

Progessing

Observations

Staff and contractors have some awareness of their legal obligation to create and capture full and accurate records, which are stored in Objective. Objective has retention controls and audit trails that show how much each directorate is using the system. Staff can find information and records with ease due to Objective's search functionality. Due to its integration, searching in Objective also searches across some of Pharmac's other systems such as, PharmConnect (Medicine Funding Application Portal).

Based on staff interviews, there appears to be a lack of file structures, naming conventions and file management processes available to staff. These processes appear to vary between business units.

Since the organisation's move from the PC Docs System to Objective, all new information and records are created digitally. Any physical records and information received are scanned into Objective and the digital copy is recognised as the master copy.

Recommendation

1. Develop a structured approach to monitoring and addressing issues relating to information usability and reliability such as developing file structures, naming conventions and other process documentation in consultation with business units.

Topic 11: High-Value/High-Risk Information

The organisation has identified its high-value/high-risk information assets, including identifying and addressing any risk to those assets.

Beginning

Observations

Pharmac has not formally identified any high-value / high-risk information assets it holds. An inventory of high-value / high-risk information will assist Pharmac to understand its IM priorities.

Recommendation

1. Create an information asset register (IAR) which identifies the information that is high-value / high-risk to Pharmac.

Management

Management of information should be designed into systems to ensure its ongoing management and access over time, including following a business disruption event. The information must be reliable, trustworthy, and complete and managed to ensure it is easy to find, retrieve and use, as well as protected and secure.

Topic 12: IM Requirements built into Technology Solutions

IM requirements must be identified, designed, and integrated into all your organisation's business systems.

Managing

Observations

IM expertise is involved in the design and configuration decisions relating to most new and upgraded business systems. This is to ensure compliance with the PRA or integration into Objective. The IM team uses a standardised checklist to ensure that requirements are being met across metadata, retention, and disposal.

The IM team was most recently involved when PharmConnect was developed and implemented at Pharmac to ensure it met IM and minimum metadata requirements. PharmConnect on its own would not meet these requirements. Therefore, the IM team developed an automatic integration with Objective to ensure that master documentations meet minimum requirements.

Recommendation

1. Ensure system design and configuration are fully documented and maintained for all business systems.

Topic 13: Integrity of Information

Information should be managed so that it is easy to find, retrieve and use, while also being secure and tamper-proof.

Managing

Observations

Pharmac has been using Objective for over 15 years. Objective uses a document version layering capability which ensures that all previous versions of documents are always accessible to users. Staff reported a high level of confidence with Objective in the reliability, findability and trustworthiness of information created and captured.

In addition to the IM Strategy and IM Policy, there are desk files (IM guidelines) available for each team which are accessible on the intranet. These desk files provide guidance on performing tasks specific to roles but not naming conventions or file structures. The IM team undertakes limited active monitoring of the integrity of information.

Recommendation

1. Refer to Topic 10 recommendation around developing up-to-date file structures, naming guidelines and other process documentations.

Topic 14: Information Maintenance and Accessibility

Information maintenance and accessibility cover strategies and processes that support the ongoing management and access to information over time.

Managing

Observations

There is a process to manage and maintain digital and physical information during business and system changes. Physical information can be accessed through a commercial storage provider off-site. Pharmac's commercial storage provider manage a register which details a summary of contents and records they hold. Pharmac can request this information for reference if required.

Most information is created digitally, with most business units having adopted a digital way of working. All critical business records are backed up. Digital information remains accessible over time through retention controls, metadata continuity, security processes and continuous update of systems to prevent technological obsolescence. Pharmac reviews its Objective functionality every five years to consider whether it remains fit for purpose. Objective's functionality is currently being reviewed, so the next review will be in 2027.

Risks to ongoing accessibility of physical and digital information are not identified.

Recommendation

1. Identify IM risks and mitigation strategies to the ongoing accessibility of physical and digital records.

Topic 15: Business Continuity and Recovery

This covers the capability of the organisation to continue delivery of products or services, or recover the information needed to deliver products or services, at acceptable pre-defined levels following a business disruption event.

Managing

Observations

Pharmac has a current Business Continuity Plan (BCP) and an ICT Disaster Recovery Plan that is appropriate for its size and complexity. It was last updated on November 2021. The BCP includes a list of critical functions, critical documents, notification tree and contact information.

Management report that bi-annual drills are conducted to test the BCP, which then informs an action plan for improving their processes. However, there is no reference within the BCP indicating any requirements for it to be tested.

Pharmac does not keep annual backups. Pharmac's core business servers are replicated between two different servers in New Zealand and all servers are backed up within CCL's Infrastructure-as-a-Service 'cloud'.

All staff are expected to take their Surface Pro laptop and Pharmac mobile phone home each night to enable them to continue to use Pharmac's systems in the event of a major incident. Staff reported no disruption to their work when transitioning to a work from home schedule during the Covid-19 lockdowns of 2020 and 2021.
Following the Covid-19 lockdowns of 2020 and 2021, Pharmac has established a Covid response working group which focusses on BCP. The ES is part of this working group to ensure that IM remains top of mind during business disruption events.

Recommendations

1. Develop a clear plan for restoring business information as part of a phased approach to business continuity
2. Update the BCP to indicate requirements for regular testing.

Storage

Good storage is a very important factor for information protection and security. Appropriate storage arrangements for both physical and digital information ensures information remains accessible and usable for as long as it is required for business and legal purposes and for accountable government.

Topic 16: Appropriate Storage Arrangements

Appropriate storage arrangements for both physical and digital information ensures information remains accessible and usable throughout its life.

Managing

Observations

Pharmac has used an EDRMS since 1994. The original PC Docs systems was replaced by Objective in 2007 and since its launch, most incoming hard copy information is scanned and saved digitally into it. The original hard copy is batched and stored off-site.

Pharmac also uses various databases to manage information which are linked into Objective. For example, a decision letter created using a database can be stored in Objective. There are a series of linked databases used to manage information such as, the pharmaceutical schedule, drug funding application and approvals, claims processing and special authorities for medicines. For the databases which are not linked, there is an expectation that relevant information be transferred to Objective to maintain it as a master repository for information.

Third-party providers manage Pharmac's digital storage. All information has restricted access to the appropriate roles and all digital information is stored in servers in New Zealand and Australia. Any security incidents are reported to the Security Committee.

A large portion of Pharmac's physical information is kept with a third-party storage provider. Physical information kept onsite is stored in lockable cabinet and is labelled to ensure it is accessible. Only the IM team has access to this secured cabinet. It is stored in an office environment which includes fire safety, flood mitigation and access controls.

Recommendation

1. Perform periodic testing of protection and security processes to ensure that information remains secure.

Access

Ongoing access to and use of information enables staff to do their jobs. To facilitate this, organisations will need mechanisms to support the findability and usability of information. Information and data that is shared between organisations is identified and managed.

Topic 18: Information Access, Use and Sharing

Staff and contractors can easily find and access the information they need to do their work. Access controls for information is documented and consistently applied and managed. Metadata facilitates discovery and use of information. Information and data received or shared under information sharing agreements is managed according to IM policies and processes.

Progessing

Observations

Pharmac does not have a consistent organisation-wide taxonomy for IM, although some teams have developed their own structure. The lack of standard organisation-wide taxonomy and filing process has led to inconsistent naming and filing of documents across Pharmac.

New staff are provided IM guidance during their induction on the types of information that requires saving. However, staff interviews suggest that there is still some confusion on what constitutes a record and what information requires saving.

Objective automatically generates metadata fields when saving documents. Staff do not tend to add further metadata despite other metadata fields being available.

Access and permission controls are applied to all systems, which the IM team manages and administers. It is not mandatory for access controls to be approved by the relevant business unit manager or team leader.

There is no formal IM process in place that is applied to incoming and outcoming data shared with external parties.

Recommendation

1. Develop IM processes which is applied to incoming and outcoming data shared with external parties.

Disposal

Disposal activity must be authorised by the Chief Archivist under the PRA. Public offices should have their own specific disposal authority as well as actively use the General Disposal Authorities for disposal of general or more ephemeral information. Disposal should be carried out routinely. Information of archival value, both physical and digital, should be regularly transferred to Archives NZ (or have a deferral of transfer) and be determined as either open access or restricted access .

Topic 20: Current Organisation-Specific Disposal Authorities

This is about an organisation having its own specific disposal authority, not the implementation of the disposal actions authorised by the authority. It is not about the General Disposal Authorities.

Managing

Observations

Pharmac has a current approved Disposal Authority (DA) that covers information relating to its specific business functions. The DA covers both physical and digital information.

Staff and contractors do not understand the disposal requirement relevant to the information they create.

Recommendation

1. Establish a regular review cycle to ensure that the organisation specific DA reflects business and legislative changes.

Topic 21: Implementation of Disposal Decisions

This is about the implementation of disposal decisions, whether from organisation-specific disposal authorities or the General Disposal Authorities.

Beginning

Observations

Although Pharmac has a current organisation-specific DA, no information has been disposed under this DA nor has there been any reported instances of any disposals under the General Disposal Authorities. Their most recent documented disposal was eight years ago.

Pharmac has a culture of retaining information. Deleted documents are moved to a 'disposal bucket' where information is stored indefinitely. The IM team can restore information to its original location if required from this location. However, they do not review or clear out this 'disposal bucket' with documents dating back at least seven years stored here.

Recommendation

1. Ensure that disposal actions are routinely planned and implemented across repositories and formats.

Topic 22: Transfer to Archives New Zealand

Information of archival value, both physical or digital, should be regularly transferred to Archives NZ or a deferral of transfer should be put in place.

Beginning

Observations

Pharmac has not identified or transferred information that is older than 25 years old or of archival value. We note that it is likely that the transfer of records recommended for retention as public archives will be in electronic format for most records created after 2007.

Recommendation

1. Formally identify physical and digital information of archival value that is over 25 years old.

6. Summary of feedback

This section sets out Pharmac's feedback pursuant to this PRA audit.

We are grateful of the opportunity to discuss our information and records management practices and welcome the recommendations made by Deloitte. The audit focused on 22 topics as part of the Archives NZ IM Maturity Assessment. 2 topics are only applicable to local authorities and have therefore been excluded. We agree with the auditor's assessment of our strengths and will focus on what areas they identified that need attention.

As caretakers of information, we must uphold our te Tiriti o Waitangi responsibilities through honourable conduct to achieve the best health outcomes for Māori. We will therefore continue to improve our ability to actively identify and protect information and data relating to Māori and Pacific peoples, as well as other valuable and sensitive information.

We are incredibly grateful of Deloitte's approach to the audit, the manner in which the report was developed, and how they engaged with us throughout. It enabled us to step back and examine how we manage information and records. Using the principles of Kaitiakitanga and being guided by our values, we look forward to strengthening all areas identified in the audit.

Deloitte.

Te Rua Mahara o te Kāwanatanga
ARCHIVES NEW ZEALAND

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Archives New Zealand, 10 Mulgrave Street, Wellington
Phone +64 499 5595
Websites www.archives.govt.nz
www.dia.govt.nz

Sarah Fitt
Chief Executive
Pharmaceutical Management Agency
Sarah.fitt@pharmac.govt.nz

Tēnā koe Sarah

Public Records Act 2005 Audit Recommendations

This letter contains my recommendations related to the recent independent audit of the Pharmaceutical Management Agency (Pharmac) by Deloitte under section 33 of the Public Records Act 2005 (PRA). Thank you for making your staff and resources available to support the audit process.

Introduction

Archives New Zealand (Archives) is mandated by the PRA to regulate public sector information management (IM). The audit programme is a key regulatory tool in our Monitoring Framework.

Monitoring IM practice across the public sector gives assurance that the government is open, transparent and accountable by providing visibility of public sector IM practices. Full, accurate and accessible information improves business efficiency and government decision-making and accountability, which in turn enhances public trust and confidence. Information that is well managed unlocks the value of government information for the benefit of everyone.

Improved IM maturity would positively impact some identified issues in the Pharmac Review: Final Report February 2022. For example, the audit recommendation for Topic 6: *Te Tiriti o Waitangi* will support equity-centred decision making by identifying information of importance to Māori held by Pharmac. Improved IM will also support governance in decision-making processes which are crucial to Pharmac achieving its legislative best health outcomes objective.

We are confident that you and your organisation are committed to delivering high-quality, trusted information to decision-makers, other government organisations, customers and stakeholders. We trust that the audit process will support this commitment. The audit report and this letter recommend changes to support improvement of your organisation's IM practices.

Audit findings

In the audit report, the auditor has independently assessed your information maturity against the framework of our IM Maturity Assessment. Prior to the audit, your organisation completed the Maturity Assessment. This provided a self-assessment of IM maturity for your own use and as context for the auditor about your organisation.

Organisations that are assessed as having a maturity level of 'Managing' across all IM topics are broadly meeting the minimum requirements expected by the PRA and Archives' mandatory Information and records management standard. Pharmac has most topics assessed as 'Managing' with two at 'Maturing'. The organisation is well placed to address the topics at lower maturity. Having a current organisation-specific disposal authority, a current Data and IM strategy, an EDRMS and dedicated IM staff is a sound foundation to build on.

Prioritised recommendations

The audit report lists 20 recommendations to improve your organisation's IM maturity.

We endorse all recommendations as appropriate and relevant. To focus your IM improvement programme, we consider that your organisation should prioritise the eight recommendations as identified in the Appendix.

What will happen next

The audit report and this letter will be proactively released on the Archives website shortly. We would be grateful if you would advise of any redactions that your organisation considers are necessary for the release within 10 working days.

As required by the PRA, I will also provide the Minister of Internal Affairs with a report on the results of the audit programme for each financial year, which is tabled in the House of Representatives.

We will follow up this letter with a request to your Executive Sponsor that your organisation provides us with an action plan to address the prioritised recommendations. Our follow up process will track your progress against the action plan.

Thank you again for your support with the audit. We would greatly appreciate further feedback on the audit process and the value it provides to organisations, and we will contact your Executive Sponsor shortly in relation to this.

Nāku noa, nā

Stephen Clarke
Chief Archivist Kaipupuri Matua
Archives New Zealand Te Rua Mahara o te Kāwanatanga

Cc Davina Carpenter, Manager Business Services, Davina.carpenter@pharmac.govt.nz (Executive Sponsor)

APPENDIX

Category	Topic Number	Auditor's Recommendation	Archives New Zealand's Comments
Governance	4: IM Integration into Business Processes	*Formally document IM responsibilities within business unit processes to ensure all staff understand their responsibilities.*	Documentation of IM responsibilities and regular communication of these will help improve consistency of practice across the organisation.
Governance	5: Outsourced Functions and Collaborative Arrangements	*Develop a regular monitoring process for managing information under contractual agreements and address any identified issues.*	To ensure that Pharmac's requirements for managing public records created and maintained under contractual agreements are met it is necessary to monitor these. This could also include internal IM processes as described in Topic 18: Information Access, Use and Sharing.
Governance	6: Te Titiri o Waitangi	*Design processes to locate and formally identify information of importance to Māori, which may be included as a category within the Information Asset Register*	This will support the Māori responsiveness strategy work Pharmac are doing with Te Whaioranga.
Self-Monitoring	7: Self-Monitoring	*Develop a regular monitoring process that covers compliance with the IM Policy and report results to the ES and Security Committee*	This could include monitoring and addressing, if needed, the reported variation in processes between business units raised in Topic 10: Creation and Capture of Information and Topic 13: Integrity of Information. The development and use of a consistent taxonomy as described in Topic 18: Information Access, Use and Sharing should also be monitored.

Category	Topic Number	Auditor's Recommendation	Archives New Zealand's Comments
Capability	9: IM Roles and Responsibilities	*Assess the need for ongoing IM training and develop and deliver a programme to meet the identified needs.*	Induction training is a good start but regular refresher training for all staff is important for keeping knowledge and practice current as the IM environment changes.
Creation	11: High-Value/High-Risk Information	*Create an information asset register (IAR) which identifies the information that is high-value/high-risk to Pharmac.*	The disposal authority will provide a useful basis for this work which will help Pharmac prioritise its management of information.
Disposal	21: Implementation of Disposal Decisions	*Ensure that disposal actions are routinely planned and implemented across repositories and formats.*	An implementation plan for disposal that is agreed by management will help Pharmac manage any identified risks.
Disposal	22: Transfer to Archives New Zealand	*Formally identify physical and digital information of archival value that is over 25 years old.*	This would be a useful start to eventual transfer to Archives New Zealand. Physical information is not able to be transferred due to lack of space in the Wellington repository, but digital transfer could be progressed.